

# Direct Loans

William D. Ford Federal Direct Loan Program

## Federal Direct Consolidation Loan Application and Promissory Note

OMB No. 1845-0053  
Form Approved  
Exp. Date 1/31/2005

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

### Before You Begin

This form should be printed in blue or black ink or typewritten and must be signed and dated by the applicant(s). If you cross out anything and write in new information, put your initials beside the change.

### Section A: Borrower Information

1. Last Name	First Name	Middle Initial	2. Social Security Number — —	
3. Permanent Street Address (if P.O. box, see instructions)			4. Home Area Code/Telephone Number ( )	
City	State	Zip Code	5. Fax Number (Optional) ( )	6. E-Mail Address (Optional)
7. Former Name(s)		8. Date of Birth	9. Driver's License Number (put state abbreviation first) ( )	
10. Employer's Name		11. Employer's Address		
12. Employer's Area Code/Telephone Number ( )		City	State	Zip Code
13. If you are married, does your spouse have an eligible loan(s) (see instructions) that you want to consolidate with your loan(s)? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, complete Section C, include your spouse's loan(s) in Section D, and have your spouse sign and date Item 32 in Section F.				

### Section B: Reference Information

14. References: Enter the requested information for two relatives or acquaintances who do not live with you and who have known you for at least three years. References may not live outside the United States.

Name	1. _____	2. _____
Permanent Address	_____	_____
City, State, Zip Code	_____	_____
Area Code/Telephone Number ( )	_____	( ) _____

### Section C: Spouse Information

To be completed only if you responded "Yes" to Item 13.

15. Last Name	First Name	Middle Initial	16. Social Security Number — —	
17. Date of Birth	18. Driver's License Number (put state abbreviation first) ( )		19. Fax Number (Optional) ( )	
20. Former Name(s)			21. E-Mail Address (Optional)	
22. Employer's Name		23. Employer's Address		
24. Employer's Area Code and Telephone Number ( )		City	State	Zip Code

**Borrower's Social Security Number**\_\_\_\_\_

25. Loan Holder/Servicer's Name, Address, and Area Code/Telephone Number	26. Loan Type	27. B=Borrower S=Spouse J=Joint	28. Account Number	29. Current Balance	30. To Be Consolidated? Yes      No	
( )						
( )						
( )						
( )						
( )						
( )						
( )						
( )						
( )						

Borrower's Name \_\_\_\_\_

Borrower's Social Security Number \_\_\_\_\_

## Section E: Repayment Plan Selection

Carefully read the repayment plan information in "Direct Consolidation Loans" that accompanies this application and promissory note to understand your repayment plan options. Then, complete this section to select your repayment plan. Remember--

- All student loans must be repaid under the same repayment plan. Parent PLUS loans may be repaid under a different repayment plan.
- If you select the Income Contingent Repayment Plan, you must complete the "Repayment Plan Selection" and "Income Contingent Repayment Plan Consent to Disclosure of Tax Information" forms that accompany this application and promissory note. Your selection cannot be processed without these forms.
- **If you want to consolidate a defaulted student loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the Income Contingent Repayment Plan.**

31. Place an "X" in the box that corresponds to your repayment plan selection for each loan type. Note that Direct PLUS Consolidation Loans cannot be repaid under the Income Contingent Repayment Plan.

	Income Contingent	Standard	Extended	Graduated
<b>STUDENT LOANS</b> <i>Direct Subsidized and Unsubsidized Consolidation Loans</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>PARENT LOANS</b> <i>Direct PLUS Consolidation Loans</i>	<div>Not Available</div>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Section F: Promissory Note (Continued on reverse side)

To be completed and signed by borrower and spouse, if applicable.

### Promise to Pay:

I promise to pay to the U.S. Department of Education (ED) all sums (hereafter "loan" or "loans") disbursed under the terms of this Promissory Note (note) to discharge my prior loan obligations, plus interest, and other fees that may become due as provided in this note. If I fail to make payments on this note when due, I will also pay collection costs including but not limited to attorney's fees and court costs. If ED accepts my application, I understand that ED will on my behalf send funds to the holder(s) of the loan(s) selected for consolidation in order to pay off this loan(s). I further understand that the amount of this loan will equal the sum of the amount(s) that the holder(s) of the loan(s) verified as the payoff balance(s) on that loan(s) selected for consolidation. My signature on this note will serve as my authorization to pay off the balance(s) of the loan(s) selected for consolidation as provided by the holder(s) of such loan(s).

This amount may be more or less than the estimated total balance I have indicated in Section D. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan.

I understand that this is a Promissory Note. I will not sign this note before reading it, including the text on the reverse side, even if I am

advised not to read the note. I am entitled to an exact copy of this note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree, to the terms and conditions of this note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities.

If consolidating jointly with my spouse, we agree to the same terms and conditions contained in the Borrower Certification and Authorization. In addition, we confirm that we are legally married to each other and understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Direct Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that this means that one of us may be required to pay the entire amount due if the other is unable or refuses to pay. We understand that the Federal Direct Consolidation Loan we are applying for will be cancelled only if both of us qualify for cancellation. We further understand that we may postpone repayment of the loan only if we provide ED with written requests that confirm Federal Direct Consolidation Loan Program deferment or forbearance eligibility for both of us at the same time.

**I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.**

32. Signature of Borrower \_\_\_\_\_ Date \_\_\_\_\_

Signature of Spouse (if consolidating jointly) \_\_\_\_\_ Date \_\_\_\_\_

## Promissory Note (continued)

### Governing Law and Notices

This Promissory Note (note) applies to Federal Direct Consolidation Loans (Direct Consolidation Loans). In this note, the Higher Education Act of 1965, as amended, 20 U.S.C. 1070 et seq., and applicable U.S. Department of Education (ED) regulations are referred to as "the Act." The terms of this note will be interpreted according to the Act and other applicable federal statutes and regulations. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this note.

### Disclosure of Terms

When the loan(s) that I am consolidating is paid off, I will be sent a Disclosure Statement and Repayment Schedule (disclosure). The disclosure will identify my Direct Consolidation Loan amount and additional terms of my loan. If I have questions about the information disclosed, I will contact ED. If the information in this note conflicts with the information in the disclosure, the disclosure will be controlling.

Important additional terms of this loan are disclosed in the statement of Borrower's Rights and Responsibilities accompanying this note.

I understand that my Direct Consolidation Loan may consist of up to three separate loan identification numbers depending on the loan(s) I choose to consolidate. These loan identification numbers will represent prior subsidized loans, prior unsubsidized loans, and prior parent PLUS loans. The Borrower's Rights and Responsibilities identifies which eligible loans are included in each of these categories. Each applicable loan identification number is represented by this note.

### Interest

Except for interest ED does not charge me during an in-school, grace, or deferment period, I agree to pay interest on the principal amount of my Direct Consolidation Loan from the date of disbursement until the loan is paid in full or discharged. ED may add interest that accrues but is not paid when due to the unpaid principal balance of this loan, as provided under the Act. This is called capitalization.

Interest will be calculated according to the applicable formulas provided for by the Act.

The interest rate on my Direct Consolidation Loan will be based on the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher one-eighth of one percent, but shall not exceed 8.25%. This is a fixed interest rate, which means that the rate will remain the same throughout the life of the loan.

### Late Charges and Collection Costs

If I fail to make any part of an installment payment within 30 days after it becomes due, ED may collect from me a late charge that will not exceed six cents for each dollar of each late installment. If I default on the loan, I will pay reasonable collection fees and costs, plus court costs and attorney's fees associated with collection of the debt.

### Grace Period

My Direct Consolidation Loan will receive a grace period if I meet all of the following conditions: (1) I have at least one William D. Ford Federal Direct Loan (Direct Loan) Program loan or attend a Direct Loan school, (2) at least one Direct Loan or Federal Family Education Loan (FFEL) Program loan that I am consolidating is in an in-school period, and (3) my application for a Direct Consolidation Loan is received by ED prior to the end of my in-school period. A six-month grace period begins the day after I cease to be enrolled at least half time at an eligible school. (If my enrollment status changes to less than half time after I apply but before the first disbursement of my Direct Consolidation Loan, I will not have to make payments on my Direct Consolidation Loan for the number of months remaining in my grace period at the time the first disbursement is made.)

### Repayment

Unless my Direct Consolidation Loan is in an in-school or grace period when it is disbursed, I must select a repayment plan. If I do not select a repayment plan, ED will choose a plan for me in accordance with ED's regulations. My first payment will be due within 60 days of the first disbursement of my Direct Consolidation Loan unless it is in an in-school, grace, or deferment period. A repayment schedule will be furnished to me and will establish repayment terms, including my payment amount and the length of my repayment period. Payments will be scheduled in monthly installments. The amount of my monthly payment may be adjusted to reflect changes in the variable interest rate. ED may adjust my repayment schedule if ED learns that any of the loans listed herein is not eligible to be consolidated. My repayment period will be up to 30 years in length, depending on the amount of my student loan indebtedness and my repayment plan. Any period for which ED has granted a deferment or forbearance will not be included in determining my repayment period.

I may prepay all or any part of the unpaid balance on my loan at any time without penalty. I agree to accept written notification of such pay off in lieu of receiving the original note.

### Acceleration and Default

At the option of ED, the entire unpaid balance shall become immediately due and payable when either of the following events occurs: (i) I make false representation that results in my receiving a loan for which I am not eligible, or (ii) I default on the loan.

The following events shall constitute a default on a loan: (i) I fail to pay the entire unpaid balance after ED has exercised its option under the preceding paragraph; or (ii) I fail to make installment payments when due, or fail to comply with other terms of the loan, and ED reasonably concludes I no longer intend to honor my repayment obligation. My failure must have persisted for at least 270 days. If I default, ED will capitalize all outstanding interest into a new principal balance.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit rating. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities.

Following default, the loan may at ED's option, be subject to income contingent repayment in accordance with the Act.

Any notice required to be given to me will be effective when mailed by first class mail to the latest address that ED has for me. I will immediately notify ED of any change of my address. Failure by ED to enforce or insist on compliance with any term on this note shall not waive any right of ED. No provision of this note may be changed or waived except in writing by ED. If any provision of this note is determined to be unenforceable, the remaining provisions shall remain in force.

### Borrower Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

- (1) I certify that the information provided by me and my spouse, if applicable, in this note is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
- (2) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Federal Supplemental Educational Opportunity Grant, or a State Student Incentive Grant, or if I owe a refund, I have made satisfactory arrangements with the holder to repay the amount owed. I further certify that I am not now in default on any loan I am consolidating or, if I am in default, I have either made a satisfactory repayment arrangement with the holder of that defaulted loan, or I will repay under the income contingent repayment plan. I understand that income contingent repayment is not available for the parent PLUS loan portion of my Direct Consolidation Loan.
- (3) I certify that all of the loans selected have been used to finance my education, my spouse's education, or my child's education.
- (4) I certify that I do not have any other application pending for a Federal Consolidation Loan with any other lender. If my student loans are in a grace or repayment period and if none of the loans I am consolidating is a Direct Loan Program loan, I further certify that I have sought and been unable to obtain a Federal Consolidation Loan from a FFEL Program lender, or a lender would not provide me with a Federal Consolidation Loan with income-sensitive repayment terms acceptable to me. If I have parent PLUS loans and none of the loans I am consolidating is a Direct Loan Program loan, I further certify that I have sought and been unable to obtain a Federal Consolidation Loan from a FFEL Program lender. If, however, I am consolidating jointly with my spouse, only one borrower, my spouse or I, must have sought a Federal Consolidation Loan from a FFEL Program lender.
- (5) I understand that this loan shall, to the extent used to discharge loans that I have selected, count against the applicable aggregate loan limits under the Act.
- (6) I understand that the amount of my Direct Consolidation Loan is the sum of the balance(s) of my outstanding eligible loan(s) that I have chosen to consolidate. My outstanding balance on each loan to be consolidated includes unpaid principal, unpaid accrued interest, and late charges as defined by federal regulations and as certified by each holder. Collection costs may also be included. For a Direct Loan or FFEL Program loan that is in default, ED limits collection costs that may be charged to the borrower to no more than those currently authorized under the FFEL Program and may impose reasonable limits on collection costs paid to the holder. If the amount ED advances to my holder(s) exceeds the amount needed to pay off the balance(s) of the selected loan(s), I understand that the holder will refund the excess to ED for application against the outstanding balance of this loan. If the amount that ED advances to my holder(s) is less than the amount needed to pay off the balance(s) of the loan(s) selected for consolidation, ED will include the remaining amount in this loan unless I pay the remaining balance myself.
- (7) I authorize ED to contact the holder(s) identified on my application to determine the eligibility and/or payoff amount for the loan(s) I have identified. I further authorize release to ED or its agent any information required to consolidate my education loan(s) pursuant to the Act.
- (8) I authorize ED to issue the proceeds of my Direct Consolidation Loan to the holder(s) of the loan(s) so selected to discharge the debt.
- (9) I authorize ED to investigate my credit record and report information concerning my loan status to proper persons and organizations authorized to receive this information.
- (10) I authorize the release of information pertinent to this loan: (i) by my school(s) and ED, to members of my immediate family unless I submit written direction otherwise; and (ii) by and amongst my school(s), ED, and their agents.
- (11) I authorize my school(s), ED, and their agents, to verify my social security number with the Social Security Administration (SSA) and, if the number on my loan record is incorrect, then I authorize SSA to disclose my correct social security number to these parties.

## Addendum to the Federal Direct Consolidation Loan Application and Promissory Note

The Higher Education Reconciliation Act of 2005 (HERA) and the College Cost Reduction and Access Act of 2007 (CCRAA) changed some of the terms of Federal Direct Consolidation Loans (Direct Consolidation Loans) made under the William D. Ford Federal Direct Loan (Direct Loan) Program. As a result, certain terms of the loan(s) you receive under the accompanying Federal Direct Consolidation Loan Application and Promissory Note (Application and Promissory Note) differ from the terms described in the Application and Promissory Note, Borrower's Rights and Responsibilities, and any accompanying materials you may receive.

This Addendum describes the changes made by the HERA and the CCRAA to the terms of Direct Consolidation Loans. Your loan is subject to these changes. The loan term changes explained in this Addendum are incorporated into and made a part of the accompanying Application and Promissory Note that you sign, the Borrower's Rights and Responsibilities, and any accompanying materials you may receive. In this Addendum, the term "Application and Promissory Note" includes the Additional Loan Listing Sheet and the Instructions for Application and Promissory Note. You should keep a copy of this Addendum.

- 1. Graduate and Professional Students may borrow Direct PLUS Loans.** *Effective for loans originated on or after July 1, 2006*, a graduate or professional student may borrow a Direct PLUS Loan or Federal PLUS Loan and may consolidate PLUS loans into a Direct PLUS Consolidation Loan. All references to "Parent PLUS loans" or "Parent Loan" throughout the Application and Promissory Note, Borrower's Rights and Responsibilities, and any accompanying materials you may receive are understood to include PLUS loans made to graduate or professional students.
- 2. Borrowers who wish to consolidate PLUS loans are no longer subject to credit checks.** *Effective for Applications and Promissory Notes received on or after July 1, 2006*, there is no longer a requirement that borrowers who wish to consolidate PLUS loans into a Direct Consolidation Loan must not have an adverse credit history, and credit checks will not be conducted on such borrowers. All references to adverse credit history and endorser in any accompanying materials you may receive no longer apply.
- 3. Application and Promissory Note, Section C: Spouse Information, and all references to consolidating jointly with your spouse throughout the Application and Promissory Note, Borrower's Rights and Responsibilities, and any accompanying materials you may receive.** *Effective for Applications and Promissory Notes received on or after July 1, 2006*, a married couple may no longer borrow a Direct Consolidation Loan as joint borrowers. You do not need to complete Section C of the Application and Promissory Note or provide other information relating to your spouse or your spouse's loans.

- 4. Application and Promissory Note, Section E: Repayment Plan Selection; Borrower's Rights and Responsibilities, Item 6: Repayment; and information about repayment plan options in any accompanying materials you may receive.** *Effective for Direct Consolidation Loans that enter repayment on or after July 1, 2006*, the following changes apply to the Standard, Graduated, Extended, and Income Contingent repayment plans:

**Standard Repayment Plan.** If you choose this plan, you will make fixed monthly payments and repay your Direct Consolidation Loan in full within 10 to 30 years, depending on the amount of your loan and the amount of your other student loan debt.

**Graduated Repayment Plan.** If you choose this plan, your payments will be lower at first and will then increase over time, generally every two years. You will repay your Direct Consolidation Loan in full within 10 to 30 years, depending on the amount of your loan and the amount of your other student loan debt.

**Extended Repayment Plan.** You may choose this plan only if (1) you had no outstanding balance on a Direct Loan Program loan as of October 7, 1998 or on the date you obtained a Direct Loan Program loan on or after October 7, 1998, and (2) you have an outstanding balance on Direct Loan Program loans that exceeds \$30,000. Under this plan, you will make monthly payments based on fixed annual or graduated repayment amounts and will repay your loan in full over a period not to exceed 25 years (not including periods of deferment or forbearance) from the date your loan entered repayment. Your payments must be at least \$50 per month and will be more, if necessary, to repay the loan within the required time period.

**Income Contingent Repayment Plan.** Direct PLUS Consolidation Loan borrowers are no longer prohibited from choosing the Income Contingent Repayment Plan. Any Direct Consolidation Loan that enters repayment on or after July 1, 2006 may be repaid under this plan.

*Effective July 1, 2009*, an **Income-Based Repayment Plan** is also available. Under this plan, your required monthly payment will be based on your income during any period when you have a partial financial hardship. Your monthly payment amount may be adjusted annually. The maximum repayment period under this plan may exceed 10 years. If you meet certain requirements over a specified period of time, you may qualify for cancellation of any outstanding balance on your loans. **NOTE:** Direct Consolidation Loans that repaid parent Direct PLUS Loans or Federal PLUS Loans may not be repaid under the Income-Based Repayment Plan.

- 5. Application and Promissory Note, Section E: Repayment Plan Selection, and information on repayment plan options in any accompanying materials you may receive.** *Effective for Direct Consolidation Loans that enter repayment on or after July 1, 2006*, the Direct PLUS Consolidation Loan portion of a Direct Consolidation Loan may no longer be repaid under a different repayment plan from the Direct Subsidized and/or Direct Unsubsidized Consolidation Loan portion of a Direct Consolidation Loan. A Direct Consolidation Loan must be repaid under a single repayment plan. In Section E of the Application and Promissory Note, Item 31, the repayment plan choices listed for "STUDENT LOANS" apply to all portions of a Direct Consolidation Loan. The repayment plan choices listed for "PARENT LOANS" no longer apply. To choose a repayment plan for your Direct Consolidation Loan, place an "X" in the appropriate box for one of the repayment plans listed for "STUDENT LOANS".
- 6. Application and Promissory Note, Section F: Promissory Note, Grace Period and Repayment; Borrower's Rights and Responsibilities, Items 5 and 6, Grace Period and Repayment; and references to in-school consolidation and grace periods in any accompanying materials you may receive.** *Effective for Applications and Promissory Notes received on or after July 1, 2006*, loans that are in an in-school period may no longer be consolidated into a Direct Consolidation Loan, and there are no longer any conditions under which a Direct Consolidation Loan will receive a grace period. All references to the grace period and to consolidating

## Addendum to the Federal Direct Consolidation Loan Application and Promissory Note

loans that are in an in-school period no longer apply in the case of Direct Consolidation Loans for which the application was received on or after July 1, 2006.

7. **Application and Promissory Note, Section F: Promissory Note, Borrower Certification and Authorization.** *Effective for Applications and Promissory Notes signed on or after July 1, 2006,* by signing your Application and Promissory Note you are certifying, under penalty of perjury, that if you have been convicted of, or have pled *nolo contendere* or guilty to, a crime involving fraud in obtaining federal student aid funds under Title IV of the Higher Education Act of 1965, as amended, you have completed the repayment of those funds to the U.S. Department of Education, or to the loan holder in the case of a Title IV federal student loan.
8. **Application and Promissory Note, Section F: Promissory Note, Borrower Certification and Authorization.** *Effective July 1, 2006,* paragraph (2) is revised to read as follows:

“I certify that I do not now owe an overpayment on a Federal Perkins Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Academic Competitiveness Grant (ACG), National Science or Mathematics Access to Retain Talent (SMART) Grant, or Leveraging Educational Assistance Partnership Grant, or if I owe an overpayment, I have made satisfactory arrangements with the holder to repay the amount owed. I further certify that I am not now in default on any loan I am consolidating or, if I am in default, I have either made a satisfactory repayment arrangement with the holder of that defaulted loan, or I will repay under the income contingent repayment plan.”
9. **Application and Promissory Note, Section F: Promissory Note, Borrower Certification and Authorization.** Paragraph (4) is revised to read as follows:

“I certify that I do not have any other application pending for a Federal Consolidation Loan with any other lender. Unless I am consolidating a Federal Consolidation Loan that has been submitted to the guaranty agency by the lender for default aversion or that has defaulted, or, effective July 1, 2008, I am consolidating one or more FFEL Program loans into the Direct Loan Program to use the Public Service Loan Forgiveness Program, I further certify that if none of the loans I am consolidating is a Direct Loan Program loan, I have sought and been unable to obtain a Federal Consolidation Loan from a FFEL Program lender, or I have been unable to obtain a Federal Consolidation Loan with income-sensitive repayment terms or, effective July 1, 2009, income-based repayment terms that are acceptable to me.”
10. **Borrower’s Rights and Responsibilities, Item 2, Loan Identification Numbers.** *Effective for Applications and Promissory Notes received on or after July 1, 2006,* unless you are consolidating a Federal Consolidation Loan that has been submitted to the guaranty agency by the lender for default aversion or that has defaulted, or, effective July 1, 2008, you are consolidating a Federal Consolidation Loan into the Direct Loan Program to use the Public Service Loan Forgiveness Program, you may not consolidate a Direct Consolidation Loan or a Federal Consolidation Loan unless you include at least one additional eligible loan in the consolidation.
11. **Borrower’s Rights and Responsibilities, Item 2, Loan Identification Numbers, paragraph 2a.** *Effective for Applications and Promissory Notes received on or after July 1, 2006,* Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (NDSL) will be consolidated under the same loan identification number as the unsubsidized loans listed in paragraph 2b and will be treated as unsubsidized loans after they are consolidated.
12. **Borrower’s Rights and Responsibilities, Item 6, Repayment.** The next-to-last paragraph is revised to read as follows:

“There will be no penalty for prepaying any portion of my loan. Except during periods of repayment under the Income-Based Repayment Plan, all payments and prepayments will be applied in the following order: late charges and fees, and collection costs first, outstanding interest second, and outstanding principal last. Under the Income-Based Repayment Plan, payments will be applied first to interest that is due, then to fees that are due, and then to the principal amount.”
13. **Borrower’s Rights and Responsibilities, Item 9, Discharge.** *Effective July 1, 2006,* all or a portion of your Direct Consolidation Loan is also eligible for discharge if it is determined that your eligibility for one or more of the FFEL or Direct Loan program loans that were consolidated was falsely certified as a result of a crime of identity theft.
14. **Borrower’s Rights and Responsibilities, Item 10, Special Repayment Arrangements.** In addition to the teacher loan forgiveness program described in this item, a public service loan forgiveness program is also available. The public service loan forgiveness program provides for the cancellation of the remaining balance due on your eligible Direct Loan Program loans after you have made 120 payments (after October 1, 2007) on those loans under certain repayment plans while you are employed in certain public service jobs.
15. **Borrower’s Rights and Responsibilities, Item 11, Deferments.** In addition to the deferments listed in this item, the following additional deferments are available:

You may receive a deferment on while you are serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency, and if you are serving on or after October 1, 2007, for the 180-day period following the demobilization date for your qualifying service. A representative may request this deferment on your behalf.

*Effective October 1, 2007,* if you are a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and you are called or ordered to active duty while enrolled at an eligible school, or within 6 months of having been enrolled, you are eligible for a deferment during the 13 months following the conclusion of the active duty service, or until the date you return to enrolled student status, whichever is earlier.

# Direct Loans

William D. Ford Federal Direct Loan Program

## Federal Direct Consolidation Loan Instructions for Application and Promissory Note

OMB No. 1845-0053  
Form Approved  
Exp. Date 1/31/2005

### Before You Begin

Before beginning, you will need to gather all of your loan records, account statements, and bills so that you will have on hand all the information you will need to complete the application and promissory note.

The form should be printed in blue or black ink or typewritten, and it must be signed and dated by the applicant(s). If you cross out anything and write in new information, put your initials beside the change.

Incorrect or incomplete information may delay processing.

### Section A: Borrower Information

**Items 1 and 2:** Enter the information requested.

**Item 3:** Enter your permanent home street address. If your mailing address is an RFD, post office box, or general delivery, you must list **both** the street address and mailing address.

**Items 4 - 6:** Enter the information requested. Note, Items 5 and 6 are optional.

**Item 7:** Enter any former names under which one or more of your loans may have been made. (If none, enter "none.")

**Item 8:** Enter the information requested.

**Item 9:** First, enter in the parentheses the two letter abbreviation for the state that issued your driver's license. Then, enter your driver's license number. (If none, enter "none.")

**Items 10 - 12:** Enter the information requested. If none, enter "none."

**Item 13:** If married, check "Yes" or "No" to indicate whether you want to consolidate your loan(s) with your spouse's loan(s).

### Section B: Reference Information

**Item 14:** See instructions provided in the section.

### Section C: Spouse Information

**Note:** Complete this section only if you are married and wish to consolidate your loans with those of your spouse. Remember, if you do this, you are both responsible for repaying the total consolidation loan, even if you become separated or divorced or if one spouse dies.

**Items 15 - 17:** Enter the information requested.

**Item 18:** First, enter in the parentheses the two letter abbreviation for the state that issued your spouse's driver's license. Then, enter your spouse's driver's license number. (If none, enter "none.")

**Item 19:** Enter the information requested. Note, this item is optional.

**Item 20:** Enter any former names under which one or more of your spouse's loans may have been made. (If none, enter "none.")

**Item 21:** Enter the information requested. Note, this item is optional.

**Items 22 - 24:** Enter the information requested. (If none, enter "none.")

### Section D: Education Loan Indebtedness

This section asks about your education loans. List **all** your education loans in Section D, including your Direct Loans and loans you are **not** consolidating. To find the information you will need to answer these items, there are several places you can look, such as:

- the last monthly billing statement you received,
- your quarterly interest statement or annual statement,
- your coupon book, or
- the Internet site of your loan holder or servicer.

If you are currently in school, you can contact the financial aid administrator at your school.

**Item 25:** Enter the information requested. You must give us at least the name, city, and state of your loan holder or servicer. Use the resources listed above to find this information. For example, on your statement, there might be two addresses: first, the address where you send your payment, and second, an address that is sometimes called the "correspondence address." For Item 25, we want you to give us the "correspondence address." If there is only one address on your documents, give us that address. If you cannot find this information on your documents, call the telephone number on the statement or use the other resources listed. For each loan, send a photocopy of the document where you found the information.

**Item 26:** Enter the letter that corresponds to the loan type from the chart provided. If you are not sure about the loan type, leave this item blank.

**Item 27:** Tell us whether the loan was made to you, to your spouse, or to both of you by entering:

**B** - for borrower    **S** - for spouse    **J** - for loans to both of you  
You **must** complete this item, even if you are not married.

**Item 28:** Enter the account number for each loan (the number should be on your statement or in your payment book). If you cannot find the account number, leave this item blank.

**Item 29:** Enter the current balance for each loan as of your last payment. You **must** complete this item. Use the amount on your last statement or give us an approximate amount.

**Item 30:** Tell us whether you wish to consolidate this loan by entering "Y" in the "Yes" column or "N" in the "No" column. You **must** answer this item.

**Note:** If you need additional space to list all of your loans, complete the Federal Direct Consolidation Loan Additional Loan Listing Sheet and return it with your application and promissory note. Be sure to write your name and social security number in the spaces provided.

### Section E: Repayment Plan Selection

**Item 31:** See instructions provided in the section.

### Section F: Promissory Note

**Note:** Read the entire promissory note (pages 3 and 4) and the accompanying Borrower's Rights and Responsibilities before signing and dating the promissory note as indicated.

Do not make any changes to this section. Changes will void the terms and agreements of the promissory note. This is a legally binding contract.

**Item 32:** Sign and date the promissory note in blue or black ink. If you and your spouse are applying for a joint consolidation loan, you both must sign and date the promissory note. If you fail to do so, your application will not be processed.

Review all the information on your Direct Consolidation Loan Application and Promissory Note. When complete, make a copy for your records and mail the original to us in the envelope provided.

As soon as we receive your completed application and promissory note and supporting documents, we will begin processing. During this time, we might call you with questions. We will be sending you a notice before we pay off your loan(s).

In the meantime, if you currently are required to make payments on your loan(s), continue to do so. You will need to continue making payments until you receive written notification that your loan(s) has been successfully consolidated and it is time to start paying your Direct Consolidation Loan. If you are having difficulty making payments on your loan(s), contact the correspondence address or telephone number on your current loan statement(s) to find out ways you might be able to postpone loan payments; ask specifically about your "deferment" or "forbearance" options.

### Types of Education Loans and Their Codes

#### Subsidized Loans

- A** Subsidized Federal Stafford Loans
- B** Guaranteed Student Loans (GSL)
- C** Federal Insured Student Loans (FISL)
- D** Federal Direct Stafford/Ford Loans
- E** Federal Direct Subsidized Consolidation Loans
- F** Federal Perkins Loans
- M** National Direct Student Loans (NDSL)
- N** National Defense Student Loans (NDSL)
- O** Subsidized Federal Consolidation Loans

#### Unsubsidized Loans

- G** Unsubsidized Federal Stafford Loans (including Non-Subsidized Stafford Loans made prior to 10/1/92)
- H** Federal Supplemental Loans for Students (SLS)
- J** Unsubsidized Federal Consolidation Loans
- K** Federal Direct Unsubsidized Consolidation Loans
- L** Federal Direct Unsubsidized Stafford/Ford Loans
- P** Auxiliary Loans to Assist Students (ALAS)
- Q** Health Professions Student Loans (HPSL)
- R** Health Education Assistance Loans (HEAL)
- S** Federal PLUS Loans
- T** Parent Loans for Undergraduate Students (PLUS)
- U** Federal Direct PLUS Loans
- V** Federal Direct PLUS Consolidation Loans
- Y** Nursing Student Loans (NSL)
- Z** Loans for Disadvantaged Students (LDS)
- W** Other education loans ineligible for consolidation

**Note:** You must consolidate at least one Direct Loan or FFEL Program Loan.

**For assistance when completing this form, call the  
Loan Origination Center's Consolidation Department at  
1-800-557-7392.**

**For the hearing impaired, the TDD number is  
1-800-557-7395.**

# Direct Loans

William D. Ford Federal Direct Loan Program

## Federal Direct Consolidation Loan Important Notices

### Privacy Act Disclosure Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that we disclose to you the following information:

The authority for collecting this information is §451 *et seq.* of the Higher Education Act of 1965, as amended (the HEA) (20 U.S.C. §1087a *et seq.*).

The principal purposes for collecting this information are to determine your eligibility for a Federal Direct Consolidation Loan that is made under the William D. Ford Federal Direct Loan (Direct Loan) Program, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce the loan.

We ask that you provide the information requested on this Federal Direct Consolidation Loan Application and Promissory Note (application and promissory note) on a voluntary basis. However, you must provide all of the requested information that is available to you so the Department may process this application and promissory note because the Department needs the information to consolidate your loans into a Federal Direct Consolidation Loan.

The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal

Register, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59, p. 65532). Thus, this information may be disclosed to parties that we authorize to assist us in administering the Federal student aid programs, including contractors that are required to maintain safeguards under the Privacy Act. Disclosures may also be made for verification of information, determination of eligibility, enforcement of conditions of the loan or grant, debt collection, and the prevention of fraud, waste, and abuse and these disclosures may be made through computer matching programs with other Federal agencies.

Disclosures may be made to determine the feasibility of entering into computer matching agreements. We may send information to members of Congress if you ask them in writing to help you with Federal student aid questions. If we are involved in litigation, we may send information to the Department of Justice (DOJ), a court, adjudicative body, counsel, or witness if the disclosure is related to financial aid and certain other conditions are met. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for consideration of action

and we may disclose to DOJ to get its advice related to the Title IV, HEA programs or questions under the Freedom of Information Act. Disclosures may be made to qualified researchers under Privacy Act safeguards. In some circumstances involving employment decisions, grievances, or complaints or involving decisions regarding the letting of a contract or making of a grant, license, or other benefit, we may send information to an appropriate authority. In limited circumstances, we may disclose to a Federal labor organization recognized under 5 U.S.C. Chapter 71.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

### Financial Privacy Act Notice

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

### Paperwork Reduction Notice

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0053. The time required to complete this information collection is estimated to average 1.0 hour (60 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **If you have any comments or concerns regarding the status of your individual submission of this form, write directly to:**

**U.S. Department of Education  
Consolidation Department  
Loan Origination Center  
P.O. Box 242800  
Louisville, KY 40224-2800**